

VZCZCXYZ0014  
PP RUEHWEB

DE RUEHLP #3314/01 3411958  
ZNY CCCCC ZZH  
P 071958Z DEC 06  
FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC PRIORITY 1587  
INFO RUEHAC/AMEMBASSY ASUNCION 6364  
RUEHBO/AMEMBASSY BOGOTA 3688  
RUEHBR/AMEMBASSY BRASILIA 7554  
RUEHBU/AMEMBASSY BUENOS AIRES 4808  
RUEHCV/AMEMBASSY CARACAS 2060  
RUEHPE/AMEMBASSY LIMA 2133  
RUEHMD/AMEMBASSY MADRID 3217  
RUEHME/AMEMBASSY MEXICO 1956  
RUEHMN/AMEMBASSY MONTEVIDEO 4258  
RUEHQH/AMEMBASSY QUITO 4697  
RUEHSG/AMEMBASSY SANTIAGO 9282  
RUEHRI/AMCONSUL RIO DE JANEIRO 0920  
RUEHSO/AMCONSUL SAO PAULO 2087  
RHEHNSC/NSC WASHINGTON DC  
RHMFISS/HQ USSOUTHCOM MIAMI FL

C O N F I D E N T I A L LA PAZ 003314

SIPDIS

SIPDIS

E.O. 12958: DECL: 11/21/2016

TAGS: PGOV PREL ECON BL

SUBJECT: MORALES: A POTENT FORCE DESPITE SHRINKING SUPPORT

REF: A. LA PAZ 3204

1B. LA PAZ 3131  
1C. LA PAZ 3191  
1D. LA PAZ 3000  
1E. LA PAZ 3061  
1F. LA PAZ 3063  
1G. LA PAZ 3301

Classified By: Ecopol Counselor Andrew Erickson for reason 1.4 (d).

-----  
Summary  
-----

11. (C) While President Morales' popularity has dropped from a May high of 81 percent, his current 67 percent approval demonstrates he remains a potent force. To maintain his standing, Morales has engaged in a propaganda strategy of ads espousing his accomplishments, rhetorical attacks aimed at undermining the mainstream press, and the creation of state-sponsored media outlets to broadcast his party's ideology. Hydrocarbons nationalization remains hugely popular and a new school subsidy program which the GOB claims is a result of nationalization also enjoys widespread approval. Capitalizing on the opposition's mistakes, Morales and the Movement Towards Socialism (MAS) moved the Constituent Assembly forward and passed key land reform laws, and while doing so may have captured full control of the legislature (reftel A). Morales is also astutely aware of the racial complexities of Bolivian society and is not afraid to play the "race card" to his political advantage. At the MAS' November conference, Morales showed that he remains in control of the party, but pressure is mounting from all sides. Bolivia's prefects are trying to exert themselves (reftel B) and civic groups are promoting civil disobedience (reftel C). If he wants to stay on top, Morales will need all the political weapons in his arsenal -- propaganda, high profile announcements, the mobilization of social groups, and large state coffers. End Summary.

-----  
The Poll Numbers  
-----

**12. (U)** While President Morales' popularity has dropped from a May high of 81 percent, his 67 percent approval per a November 20 Apoyo Opinion poll shows he is still a potent force. A separate November 1 poll showed 84 percent of Bolivians approve of gas nationalization and 60 percent feel the economy is growing. Both polls were conducted after the signing of new hydrocarbons contracts but before the signing of the new land reform law (reftel A).

-----  
The Propaganda War - Bolivia is Changing, Evo Delivers  
-----

**13. (SBU)** To maintain his standing, Morales has engaged in a propaganda strategy of ads espousing his accomplishments, rhetorical attacks aimed at undermining the mainstream press, and the creation of state-sponsored media outlets to broadcast his party's ideology. The ads that he has delivered low inflation, record-high foreign reserves, an unprecedented budget surplus and a projected 4.5 percent economic growth rate. They each bear the tag line "Bolivia is Changing, Evo Delivers." The president of the association of journalists told poloff that the strategy to undermine the mainstream press is working and that public confidence in the press has declined dramatically. MAS militants are increasingly hostile to journalists. On November 27 they assaulted five journalists in Cochabamba; there is no evidence of GOB involvement in the attacks. To better disseminate its message the GOB announced it will create, with Venezuelan funding, a 30 station "communitarian" radio and TV network. The network's role is clear Morales has declared that the GOB will arm itself. Later he announced that state-run networks would soon air a show similar to Hugo Chavez's "Alo, Presidente," (reftel D).

-----  
Nationalization = Subsidies = Money to Spend  
-----

**14. (U)** Hydrocarbons nationalization remains hugely popular and a new school subsidy program which the GOB claims is a result of nationalization also enjoys widespread approval. The October 28 signing of new hydrocarbons contracts buoyed Morales' base and temporarily hushed his critics. Two days prior, the GOB announced the primary school subsidy program. The subsidy, intended for children to buy educational supplies, can be used to purchase anything. The program should reach close to 1.2 million children with each receiving about 25 USD, which equals a month's salary for 40 percent of the population.

-----  
The Constituent Assembly (CA) -- Mobilizing the Masses  
-----

**15. (C)** The prevailing wisdom prior to November was that the CA was losing credibility as evidenced by the drop in its approval rating from 69 percent in August to 46 percent in October. However, the CA's approval rebounded to 58 percent in November per the latest Apoyo Opinion poll. The increase appears related to the MAS' securing a simple majority vote for constitutional changes on November 17 (reftel E). To influence the CA and other institutions Morales can mobilize large groups (at times mobs) to push his agenda. In Sucre, marches have served to intimidate opponents and pressure MAS moderates to hold the party's line.

-----  
Land Reform  
-----

**16. (SBU)** Capitalizing on the opposition's mistakes, Morales and the MAS managed to get the senate to pass key land reform laws. In doing, the MAS appears to have captured full control of the Congress (reftel A). Using a favorite tactic, Morales urged indigenous groups to march to La Paz in favor of land reform. The marchers and the MAS succeeded in

pressuring three opposition members to cross party lines to pass the legislation. Land reform could end up being more popular than nationalization because Morales will be able to provide land directly to his supporters.

-----  
Playing the Race Card  
-----

17. (C) Morales is astutely aware of the racial complexities of Bolivian society and is not afraid to play the "race card" for political advantage. A 2006 UNIR Foundation poll revealed that 66 percent of Bolivians identify themselves as indigenous; over 50 percent view racism as an issue. After the December 2005 election hope emerged that the new GOB would reduce racial tension. But Potosi Mayor Rene Joaquin has argued that racism under the current GOB has worsened. Foreign Minister David Choquehuanca's inflammatory racist comments aimed at La Paz's upper and middle class, (mostly of European descent), have likely alienated both groups. Minister of Education Felix Patzi agreed that some GOB statements contain "elements of discrimination," but excused them as a byproduct of Bolivia's history.

-----  
Firmly in Charge of MAS -- GOB Jobs Remain a Carrot to Base  
-----

18. (C) At his party's November conference, Morales demonstrated that he remains in control of the MAS. The party re-elected him president as he choreographed the expulsion of "disloyal members" (reftel F). Meanwhile, he resisted one of the rank and files' thorniest demands, the desire for more GOB jobs. A recently retired MFA employee confirmed that the MAS continues to send people to Cuba and Venezuela for government training, indicating that GOB positions will eventually be filled by MAS acolytes.

-----  
Comment  
-----

19. (C) Given Bolivia's social tensions, Morales' 67 percent approval rating is impressive. Morales "delivery" of nationalization and land reform, his attacks on the media, his exploitation of racial divisions and his providing of subsidies to the general public have contributed to his continued support. Morales also enjoys greater power now that the MAS controls both the CA and may control the Congress. The opposition is showing signs of fighting back, holding a separate senate session on December 6 (Note: The "opposition senate" passed three resolutions supporting a two-thirds voting mechanism for the CA, a resolution to censure Minister of Government Alicia Munoz for the December 5 incident reported in reftel G, and a petition to be delivered to the Summit of South American Nations. End Note). Pressure is mounting from all sides. Bolivia's prefects are trying to exert themselves and civic groups are promoting civil disobedience. Following his pattern of announcing major populist "reforms" when his approval ratings start to sag -- such as hydrocarbons nationalization in May or the school subsidy program -- Morales will likely unveil mining nationalization upon the next drop in his popularity. Coca-farmers, leftists and other backers can be expected to continue to plead for the GOB to "deliver" on the dividends of nationalization. Morales' political savvy has been evident in his first ten months. But if he wants to stay on top, he will need all the political weapons in his arsenal -- propaganda, high profile announcements, the mobilization of social groups, and large state coffers. End Comment.

URS